

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB STORY**, on March 2, 2001 at 8:00 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Bob Story, Chairman (R)
Rep. Ron Erickson, Vice Chairman (D)
Rep. Roger Somerville, Vice Chairman (R)
Rep. Joan Andersen (R)
Rep. Keith Bales (R)
Rep. Joe Balyeat (R)
Rep. Gary Branae (D)
Rep. Eileen Carney (D)
Rep. Larry Cyr (D)
Rep. Rick Dale (R)
Rep. Ronald Devlin (R)
Rep. John Esp (R)
Rep. Gary Forrester (D)
Rep. Daniel Fuchs (R)
Rep. Verdell Jackson (R)
Rep. Jesse Laslovich (D)
Rep. Trudi Schmidt (D)
Rep. Butch Waddill (R)
Rep. Karl Waitschies (R)
Rep. David Wanzenried (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Branch
Rhonda Van Meter, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJ 2, 2/26/2001
Executive Action: HJ 2

Continuation of Hearing on HJ 2

{Tape : 1; Side : A; Approx. Time Counter : 1}

Discussion on Business Taxes

{Tape : 1; Side : A; Approx. Time Counter : 2}

Telecommunication Excise Tax & Telephone License Tax

The following discussion was on the Telecommunication Excise Tax and Telephone License Tax (EXHIBIT(1) from March 1, 2001, pages 28-31).

Kurt Alme, Director, Department of Revenue, passed out a memo from the Department of Revenue **EXHIBIT(tah48a01)**.

Terry Johnson, Principle Fiscal Analyst, Legislative Fiscal Division, explained the legislative history of the Telecommunication Excise Tax and the Telephone License Tax.

Mr. Alme explained **EXHIBIT(1)** and there was discussion on it.
{Tape : 1; Side : B; Approx. Time Counter : 0.3} Continued discussion on **EXHIBIT(1)**.

{Tape : 1; Side : B; Approx. Time Counter : 3}

Dan Dodds, Department of Revenue, passed out a document titled Retail Telecommunications Excise Tax **EXHIBIT(tah48a02)**. He went over the growth rate for this revenue source and credits that telecommunication companies can claim against the tax. There was discussion on those.

Mr. Johnson passed out two amendments **EXHIBIT(tah48a03)** and **EXHIBIT(tah48a04)** and explained those.

REP. SOMERVILLE explained amendment HJ000206.arl **EXHIBIT(4)**.

{Tape : 1; Side : B; Approx. Time Counter : 31}

Motion: **REP. SOMERVILLE** moved that **AMENDMENT HJ000206.arl** BE ADOPTED.

Discussion:

There was discussion on the amendment. ***{Tape : 2; Side : A; Approx. Time Counter : 0.1}*** Discussion continued on the amendment.

{Tape : 2; Side : A; Approx. Time Counter : 10.1}

Vote: Motion that **AMENDMENT HJ00206.ar1** BE ADOPTED carried 19-1 with Wanzenried voting no.

Continued Discussion on the Metalliferous Mines Tax

{Tape : 2; Side : A; Approx. Time Counter : 11.5}

Mr. Johnson passed out information on Metal Mine Taxes in Other States **EXHIBIT(tah48a05)** and there was discussion on that.

Discussion on Interest Earnings

{Tape : 2; Side : A; Approx. Time Counter : 13.7}

Coal Trust Interest

Mr. Johnson went through the section on Coal Trust Interest (EXHIBIT(1) from March 1, 2001, pages 53-55) and there was discussion on it.

Common School Interest and Income

{Tape : 2; Side : A; Approx. Time Counter : 20.7}

Mr. Johnson went through the section on Common School Interest and Income (EXHIBIT(1) from March 1, 2001, pages 56-58) and there was discussion on it.

Treasury Cash Account Interest

{Tape : 2; Side : B; Approx. Time Counter : 2.3}

Mr. Johnson went through the section on Treasury Cash Account Interest (EXHIBIT(1) from March 1, 2001, pages 59-60) and there was discussion on it.

Discussion on Consumption and Sumptuary

{Tape : 2; Side : B; Approx. Time Counter : 8.6}

Beer Tax

Mr. Johnson went through the section on the Beer Tax (EXHIBIT(1) from March 1, 2001, pages 63-64).

Cigarette Tax

{Tape : 2; Side : B; Approx. Time Counter : 10.1}

Mr. Johnson went through the section on the Cigarette Tax (EXHIBIT(1) from March 1, 2001, pages 65-66) and there was discussion on it.

Driver's License Fees

{Tape : 2; Side : B; Approx. Time Counter : 15.5}

Mr. Johnson went through the section on Treasury Cash Account Interest (EXHIBIT(1) from March 1, 2001, pages 67-69) and there was discussion on it.

Liquor Excise and License Tax

{Tape : 2; Side : B; Approx. Time Counter : 16.8}

Mr. Johnson went through the section on the Liquor Excise and License Tax (EXHIBIT(1) from March 1, 2001, pages 70-71) and there was discussion on it.

Liquor Profits

{Tape : 2; Side : B; Approx. Time Counter : 20.6}

Mr. Johnson went through the section on Liquor Profits (EXHIBIT(1) from March 1, 2001, pages 72-73) and there was discussion on it.

Lottery Profits

{Tape : 2; Side : B; Approx. Time Counter : 23.2}

Mr. Johnson went through the section on Lottery Profits (EXHIBIT(1) from March 1, 2001, pages 74-75) and there was discussion on it.

Motor Vehicle Fee

{Tape : 2; Side : B; Approx. Time Counter : 29.9}

Mr. Johnson went through the section on Treasury Cash Account Interest (EXHIBIT(1) from March 1, 2001, pages 76-77) and there was discussion on it.

Tobacco Tax

{Tape : 2; Side : B; Approx. Time Counter : 31.4}

Mr. Johnson went through the section on the Tobacco Tax (EXHIBIT(1) from March 1, 2001, pages 78-79) and there was discussion on it.

Video Gambling Tax

{Tape : 3; Side : A; Approx. Time Counter : 2.5}

Mr. Johnson went through the section on the Video Gambling Tax (EXHIBIT(1) from March 1, 2001, pages 80-81) and there was discussion on it.

Wine Tax

{Tape : 3; Side : A; Approx. Time Counter : 5}

Mr. Johnson went through the section on the Wine Tax (EXHIBIT(1) from March 1, 2001, pages 82-83) and there was discussion on it.

Discussion on Property Taxes

{Tape : 3; Side : A; Approx. Time Counter : 7.5}

Non Levy Revenue

Mr. Johnson went through the section on Non Levy Revenue (EXHIBIT(1) from March 1, 2001, pages 87-92) and there was discussion on it.

Property Taxes

{Tape : 3; Side : A; Approx. Time Counter : 27.1}

Mr. Johnson went through the section on Treasury Cash Account Interest (EXHIBIT(1) from March 1, 2001, pages 93-98) and there was discussion on it.

Discussion on Other General Fund Revenue

{Tape : 3; Side : B; Approx. Time Counter : 21.2}

All Other Revenue

Mr. Johnson went through the section on All other Revenue (EXHIBIT(1) from March 1, 2001, pages 101-102).

Highway Patrol Fines

{Tape : 3; Side : B; Approx. Time Counter : 25.1}

Mr. Johnson went through the section on Highway Patrol Fines (EXHIBIT(1) from March 1, 2001, pages 103-104).

Investment License Fee

{Tape : 3; Side : B; Approx. Time Counter : 25.5}

Mr. Johnson went through the section on the Investment License Fee (EXHIBIT(1) from March 1, 2001, pages 105-106).

Long Range Bond Excess

{Tape : 3; Side : B; Approx. Time Counter : 26.5}

Mr. Johnson went through the section on Long Range Bond Excess (EXHIBIT(1) from March 1, 2001, pages 107-108).

Nursing Facilities Fees

{Tape : 3; Side : B; Approx. Time Counter : 27.3}

Mr. Johnson went through the section on Nursing Facilities Fees (EXHIBIT(1) from March 1, 2001, pages 109-110) and there was discussion on it.

Public Contractors Tax

{Tape : 3; Side : B; Approx. Time Counter : 28.8}

Mr. Johnson went through the section on the Public Contractors Tax (EXHIBIT(1) from March 1, 2001, pages 111-112) and there was discussion on it.

Public Institution Reimbursements

{Tape : 3; Side : B; Approx. Time Counter : 29.9}

Mr. Johnson went through the section on Public Institution Reimbursements (EXHIBIT(1) from March 1, 2001, pages 113-114) and there was discussion on it. *{Tape : 4; Side : A; Approx. Time Counter : 0.3}* **Mr. Johnson** passed out an amendment **EXHIBIT**(tah48a06) and explained it. He also passed out a document on Public Institution Reimbursements **EXHIBIT**(tah48a07) and explained it.

Mr. Dodds explained the amendment and there was discussion on the amendment.

Motion/Vote: REP. SOMERVILLE moved that AMENDMENT HJ000207.ar1 BE ADOPTED. Motion carried unanimously.

Tobacco Settlement

{Tape : 4; Side : A; Approx. Time Counter : 12.2}

Mr. Johnson went through the section on the Tobacco Settlement (EXHIBIT(1) from March 1, 2001, pages 115-116) and there was discussion on it.

Continuation of Discussion on Business Taxes

{Tape : 4; Side : A; Approx. Time Counter : 19.8}

Estate Tax

Mr. Johnson went through the section on the Estate Tax (EXHIBIT(1) from March 1, 2001, pages 13-14) and there was discussion on it.

Foreign Capital Depository Tax

{Tape : 4; Side : A; Approx. Time Counter : 27.6 - 31.4}

Mr. Johnson went through the section on the Foreign Capital Depository Tax (EXHIBIT(1) from March 1, 2001, pages 15-16) and there was discussion on it.

ADJOURNMENT

Adjournment: 11:55 A.M.

REP. BOB STORY, Chairman

HOLLY JORDAN, Transcription Secretary

BS/RV/HJ Transcribed by Holly Jordan

EXHIBIT (tah48aad)